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LISTING STATEMENT No. 1987

LISTED FEBRUARY 10th, 1958

FEB 17 1958

484,424 common shares without par value
of which 13,065 are listed subject
to issuance
Ticker abbreviation OCS
Post section 11

TORONTO STOCK EXCHANGE

LISTING STATEMENT

OCEAN CEMENT & SUPPLIES LTD.

Incorporated under the laws of Canada by Letters Patent dated November 27, 1914, as amended by Supplementary Letters Patent dated respectively February 24, 1919, January 4, 1936, and September 19, 1957.

COMMON SHARES WITHOUT NOMINAL OR PAR VALUE

CAPITALIZATION AS AT NOVEMBER 12, 1957

| | Authorized | Issued and Outstanding | To be Listed |
|---|------------|------------------------|--------------|
| Common Shares without Nominal or Par Value..... | 1,250,000 | 990,135 | 484,424* |
| | | (See Item 1 below) | |

* Includes 13,065 shares to be issued but 518,776 shares, which are subject to a Voting Trust, are not being listed.
(See Item 1 below).

1.

APPLICATION

November 12th, 1957.

OCEAN CEMENT & SUPPLIES LTD. (hereinafter called the "Company") will, on completion of the exchange hereafter referred to, have 1,003,200 common shares without nominal or par value of its capital stock issued and outstanding, of which 518,776 shares are subject to a Voting Trust referred to in paragraph 15(c) of the attached Prospectus. Application is hereby made for listing on The Toronto Stock Exchange of 484,424 common shares, of which 471,359 shares are issued and outstanding and the balance of 13,065 shares will be issued as fully paid and non-assessable in exchange for an equal number of Class "A" and Class "B" shares both without nominal or par value in the capital of Evans Coleman & Gilley Brothers Limited pursuant to an Exchange Offer dated August 8, 1957 referred to in the attached prospectus. More than 95% of each of the said Class "A" and Class "B" shares have been deposited in acceptance of the Exchange Offer but the Exchange Offer is to remain open until close of business on December 16, 1957, and if, at that time, less than 100% of each class of shares of Evans Coleman & Gilley Brothers Limited have been deposited in acceptance of the Exchange Offer, it is the declared intention of the Company to take the necessary steps under Section 128 of the Companies Act (Canada) to acquire the remaining shares. The listing of these 13,065 shares is applied for subject to the issue thereof as fully paid and non-assessable and to notification and evidence to the Toronto Stock Exchange of such issue. The voting trust shares referred to above are not to be listed at present and the voting trust certificates will not be good delivery against sales made on The Toronto Stock Exchange.

2.

REFERENCE TO PROSPECTUS

Reference is made to the Prospectus issued by the Company under date of September 27, 1957, in respect of the offering of 150,000 Common Shares without nominal or par value in the capital stock of the Company, a copy of which Prospectus is incorporated herein and made a part hereof.

3.

OPINION OF COUNSEL

Messrs. Douglas, Symes and Brissenden of Vancouver, British Columbia, Counsel for the Company, are filing in support of this application an opinion stating among other things that (i) the Company has been duly incorporated and is a valid and subsisting Company in good standing under the laws of Canada and (ii) 1,003,200 Common Shares without nominal or par value in the capital stock of the Company have been or will be duly issued and are or will be outstanding as fully paid and non-assessable.

4.

LISTING ON OTHER STOCK EXCHANGES

The Company has listed the Common Shares without nominal or par value of its capital stock on the Vancouver Stock Exchange.

5.

STATUS UNDER SECURITIES ACTS

The offering of the 150,000 Common Shares without nominal or par value in the capital stock of the Company for sale in all of the Provinces of Canada other than Newfoundland and Prince Edward Island has been approved.

6. FISCAL YEAR
The fiscal year of the Company ends on December 31.

7. ANNUAL MEETING

Under the by-laws of the Company the annual meeting of the shareholders is held on such day in each year as the board of directors may from time to time determine. The last annual meeting was held on the 22nd day of February, 1957.

8. HEAD OFFICE

The head office of the Company is at 500 Fort Street, Victoria, British Columbia.

9. TRANSFER AGENT AND REGISTRAR

The Transfer Agent and Registrar for the Common Shares without nominal or par value in the capital stock of the Company is The Royal Trust Company at Toronto, Vancouver, Victoria and Montreal.

10. TRANSFER FEE

No fee is charged on the transfer of the Common Shares without nominal or par value other than stock exchange transfer taxes.

11. AUDITORS

Messrs. Price Waterhouse & Co., Chartered Accountants, Marine Building, Vancouver, British Columbia.

12. OFFICERS

GORDON FARRELL *President* 1890 South West Marine Drive, Vancouver, B.C.
WILLIAM FITZ-WALTER FOSTER *Vice-President* 1607 West 49th Avenue, Vancouver, B.C.
JOHN DRUMMOND MILNE *Vice-President* 2 Mulberry Walk, London, S.W. 3, England.
JACK DOUGLAS BURTON *Secretary and Treasurer* 6957 Churchill Street, Vancouver, B.C.

13. DIRECTORS

GORDON FARRELL 1890 South West Marine Drive, Vancouver, B.C.
HAROLD SCANLON FOLEY 1503 Angus Drive, Vancouver, B.C.
WILLIAM FITZ-WALTER FOSTER 1607 West 49th Avenue, Vancouver, B.C.
RT. HON. CLARENCE DECATUR HOWE, P.C. 7 Crescent Road, Rockcliff Park, Ottawa, Ontario.
JOHN DRUMMOND MILNE 2 Mulberry Walk, London, S.W. 3, England.
ROBERT IAN ROSS 1509 Shasta Place, Victoria, B.C.
COL. THE HON. CLARENCE WALLACE, C.B.E. 1250 West 54th Avenue, Vancouver, B.C.

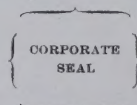
CERTIFICATE

Pursuant to a resolution duly passed by its board of directors, the applicant company hereby applies for listing of the above-mentioned securities on The Toronto Stock Exchange, and the undersigned officers thereof hereby certify that the statements and representations made in this application and in the documents submitted in support thereof are true and correct.

OCEAN CEMENT & SUPPLIES LTD.

"GORDON FARRELL", *President*.

"J. D. BURTON", *Secretary-Treasurer*.



STATEMENT SHOWING NUMBER OF SHAREHOLDERS Distribution of Common Stock as of November 12th, 1957

| Number | Shares |
|---|----------------------|
| 321 Holders of 1 - 100 share lots | 20,469 |
| 83 " " 101 - 200 " " | 15,000 |
| 41 " " 201 - 300 " " | 10,879 |
| 22 " " 301 - 400 " " | 8,025 |
| 21 " " 401 - 500 " " | 9,838 |
| 43 " " 501 - 1000 " " | 34,789 |
| 77 " " 1001 - up " " | 372,343 |
| 608 Stockholders | Total Shares 471,343 |
| Shares represented by fractional certificates | 16 |
| | 471,359 |

This prospectus is not, and under no circumstances is to be construed as, an offering of any shares of this issue for sale in the United States of America or the territories or possessions thereof.

This offering does not constitute new financing by the Company and the proceeds of the sale of these shares will not be paid into the treasury of the Company.

OUTSTANDING ISSUE

150,000 Common Shares

(without nominal or par value)

Ocean Cement & Supplies Ltd.

(Incorporated under the laws of Canada)

Registrar and Transfer Agent

The Royal Trust Company, Vancouver, Victoria, Toronto and Montreal

Ocean Cement & Supplies Ltd. owns all the outstanding capital stock of British Columbia Cement Company (1957) Limited and, as of the date of this prospectus, over 90% of the Class "A" shares and over 90% of the Class "B" shares of Evans Coleman & Gilley Brothers Limited. (See paragraph (5) on page 15 hereof).

In the opinion of Counsel, these shares are investments in which the Canadian and British Insurance Companies Act states that companies registered under Part III thereof may, without availing themselves for that purpose of the provisions of sub-section (4) of Section 63 of the said Act, invest their funds.

We, as principals, offer these Common Shares subject to prior sale, if, as and when accepted by us, subject to the approval of all legal matters by Messrs. Blake, Cassels & Graydon, of Toronto, on our behalf, who may rely on the opinion of Messrs. Douglas, Symes & Brissenden, of Vancouver, counsel for the Company, as to certain matters.

Price: \$15.75 per Share

A quarterly dividend of 22½ cents per Common Share has been declared payable on January 1, 1958, to shareholders of record December 16, 1957.

It is expected that share certificates will be available for delivery on or about October 21, 1957.

The listing of the Common Shares of the Company on The Toronto Stock Exchange and the Vancouver Stock Exchange has been approved, subject to the filing of documents and evidence of satisfactory distribution.

The right is reserved to reject any or all applications and also in any case, to allot a smaller number of shares than is applied for.

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STATEMENT SHOWING NUMBER OF SHAREHOLDERS
Distribution of Common Stock as of November 12th, 1957

| Number | | Shares |
|---|-------------------------------------|----------------------|
| 321 | Holders of 1 - 100 share lots | 20,469 |
| 83 | " " 101 - 200 " " | 15,000 |
| 41 | " " 201 - 300 " " | 10,879 |
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| 77 | " " 1001 - up " " | 372,343 |
| 608 Stockholders | | Total Shares 471,343 |
| Shares represented by fractional certificates | | 16 |
| | | 471,359 |

The following information has been supplied by Officers of Ocean Cement & Supplies Ltd.

The Company

The business of Ocean Cement & Supplies Ltd. (which prior to September 19, 1957 was known as British Columbia Cement Company, Limited and is herein referred to as the "Company") had its origin in 1904 with the establishment of Vancouver Portland Cement Company with a quarry at Tod Inlet on Vancouver Island. Seven years later British interests established a competitive project called The Associated Cement Company (Canada) Limited, at Bamberton, directly across the Saanich Arm from Tod Inlet. In 1914 the Company was incorporated under the name of "Associated Securities Company, Limited" to take over the businesses of these two companies. In 1919 the name was changed to British Columbia Cement Company, Limited.

In September, 1957 the Company sold its current and fixed assets and transferred its liabilities to a wholly-owned subsidiary, British Columbia Cement Company (1957) Limited in consideration of all the issued shares and other securities of such subsidiary. On September 19, 1957 supplementary letters patent were granted converting the Company into a public company, and changing its name to Ocean Cement & Supplies Ltd. By such supplementary letters patent the capital of the Company was changed pursuant to a Plan of Arrangement assented to by the shareholders at meetings on September 10, 1957 whereby the outstanding shares in the capital of the Company were subdivided and converted into 501,600 Common Shares without nominal or par value, and the authorized capital was increased by the creation of an additional 748,400 such shares.

By an Exchange Offer dated August 8, 1957 the Company offered, subject to the Plan of Arrangement becoming effective, to exchange one fully paid and non-assessable common share without nominal or par value in its capital stock for each fully paid outstanding Class "A" share and each fully paid outstanding Class "B" share, both without nominal or par value in the capital of Evans Coleman & Gilley Brothers Limited. Prior to the date of this prospectus the Exchange Offer was consummated and over 90% of the Class "A" shares and over 90% of the Class "B" shares of Evans Coleman & Gilley Brothers Limited were transferred to the Company. Such offer is open for acceptance until December 16, 1957 and if all shares have not been exchanged by that time, it is the intention of the Company to take the necessary steps under the Companies Act (Canada) to acquire the remaining shares.

Accordingly, the Company presently owns all the outstanding shares of British Columbia Cement Company (1957) Limited and over 90% of the outstanding Class "A" and Class "B" shares of Evans Coleman & Gilley Brothers Limited.

British Columbia Cement Company (1957) Limited

Incorporated in July, 1957, this wholly-owned subsidiary of the Company as stated above, acquired all the assets and assumed all the liabilities of the Company (then known as British Columbia Cement Company, Limited) as of July 31, 1957 for a consideration of all its capital shares and other securities. This subsidiary is herein referred to as "B.C. Cement".

Cement is a basic building material manufactured from calcium carbonate, silica, alumina and iron, usually obtained in the form of rock which is finely ground, calcined in rotary kilns, and reground with gypsum to produce the familiar grey powder. In this form it is mixed with aggregates and water to produce concrete, the world's most widely used building material. Its use has been steadily increasing due in part to the high level of construction in recent years and the relatively low cost of concrete as a building material, and partly because of the development of new or improved uses of cement and concrete. The manufacture of cement is a continuous process, twenty-four hours a day and seven days a week.

Portland cement was originally so called because of its close resemblance to the stone quarried at Portland on the coast of England and the name continues today. The word "Portland" in a company's name does not necessarily indicate a corporate connection with any other company which might also use the same word in its name.

B.C. Cement is at present the only producer of Portland cement in British Columbia and constitutes the largest in the Pacific North West. When the merger of the original two companies took place in 1914 the Tod Inlet plant was closed in favour of the improved efficiency of the Bamberton plant which is located twenty miles north of the City of Victoria. From an initial output of 500,000 barrels annually, capacity has increased at Bamberton to 3,500,000 barrels annually, which was reached early this year when B.C. Cement placed its fifth kiln in operation.

Properties—B.C. Cement's limestone quarries and manufacturing plant are strategically located permitting economical distribution of the finished product to the consumer market areas. Cement manufacturing is carried on at Bamberton, where limestone quarries are also maintained. In addition B.C. Cement obtains limestone from its quarry in the Shawnigan Lake-Cobble Hill area,

approximately ten miles from the Bamberton works. It also owns a quarry complete with crushing, conveying, storage and loading facilities at Blubber Bay on Texada Island approximately ninety miles by water from Bamberton. Undeveloped limestone properties owned by B.C. Cement are located at Davies Bay, Texada Island and at Horne Lake, Vancouver Island. In anticipation of a demand for future manufacturing capacity, two plant sites have been purchased, one at Deep Bay on Vancouver Island and one in Burnaby, on the north arm of the Fraser River, within the greater Vancouver area.

Raw Materials—The basic raw materials required in the manufacture of cement are limestone and secondary materials, gypsum rock and slack coal or other fuel. To maintain a sustained annual production of 3,500,000 barrels requires approximately the following amounts of these raw materials: 950,000 tons of limestone and secondary materials, 35,000 tons of gypsum rock and 170,000 tons of slack coal.

B.C. Cement's reserves of high grade limestone have been established by geological examination to be in excess of 300,000,000 tons with a total probable tonnage approaching nearly double this figure. The proven reserves at Bamberton and Cobble Hill quarries exceed 35,000,000 tons.

Gypsum, which is introduced in the final stage of cement manufacture to control the setting time, is purchased from San Marcos Island in the Gulf of California. It is delivered to the Bamberton plant via water-borne carriers. Slack coal for fuel to fire the kilns is purchased from Vancouver Island mines and delivered to the plant via tugs and scows.

Products and Marketing—B.C. Cement presently manufactures two types of cement—normal Portland cement marketed under the famous name of "Elk Brand" and High Early strength cement which is marketed under the brand name of "Ferrocete". Future planning provides for entry into the field of production of mortar cement and Type 11 Portland cement.

B.C. Cement has had a long and profitable experience in the cement industry. During the postwar period, in keeping with the expanding economy of British Columbia, the construction industry in the Province has continued to grow, showing a steady increase in volume each year. In addition to substantial increases in the field of general construction, including houses, schools, commercial buildings and apartments, large industrial developments have been and are being undertaken, such as pulp mills, oil refineries, the Kitimat-Kemano development and other hydro-electric projects. The Provincial Government has also embarked on a continuing highway and bridge construction program. In all these varying types of construction large quantities of concrete are used and the demand for cement has steadily increased.

B.C. Cement has been in a position to supply virtually the total requirements of the Province—it is estimated some 90% of the British Columbia market is supplied by B.C. Cement. There is now under construction on Lulu Island, near Vancouver, a new cement manufacturing plant which it is reported will be in production early in 1958 with an annual capacity of approximately 1,500,000 barrels, and which will be in competition with B.C. Cement. The geographical market areas of the Province in which distributions by B.C. Cement are made are as follows: (1) Lower Mainland area including Greater Vancouver and the Fraser Valley District eastward to Hope, B.C.; (2) Vancouver Island; (3) Coastal area, including all coastal points northwards from Vancouver to Skagway; (4) the Interior. B.C. Cement supplies the full requirements of the first three of these areas with competition being experienced only in the Interior. Market limits are governed by comparative rail freight rates and on this basis the eastern limit of the Company's distribution is the Okanagan Valley.

Cement is shipped from the Bamberton plant to the Island, Coastal and Lower Mainland areas in sacks and bulk via covered scows. Not only is the Bamberton plant equipped with waterfront facilities for tugs and scows supplying the local trade, it also has deep sea shipping facilities for direct loading at the works. Cement is not only sold direct to certain classes of the trade, it is also marketed through a network of over 40 dealers located throughout the Province. With six new waterfront distribution centers now available to the cement company as a result of the merger with Evans Coleman and Gilley Brothers Limited, it is expected that increased direct marketing by the cement company in the Lower Mainland area will develop. The waterfront facilities of the Lower Mainland dealers equipped with bulk silos and warehouses for sacked cement make for very economical and efficient handling of scowload quantities of cement from the Bamberton plant.

Research—B.C. Cement maintains a fully equipped modern laboratory at the Bamberton plant which is staffed 24 hours a day by highly trained chemists who continually test the various stages of production to insure the maximum in quality control for which "Elk Brand" cement is famous.

In addition B.C. Cement is a member of the Portland Cement Association which, at its research laboratories at Chicago, Illinois, carries on extensive research work on cement and concrete to improve their qualities and increase their uses. B.C. Cement not only obtains the benefit of this re-

search, but the Association's facilities are also available to it with respect to any isolated or special problems.

Associated Company—Associated Portland Cement Manufacturers Limited, of London, England, the largest cement manufacturing company in the world, acquired 50% of the outstanding shares of the Company upon its formation in 1914. Accordingly, B.C. Cement has enjoyed the benefit of the Associated Company's world-wide experience in the cement industry. The Associated Company has signified its intention of retaining its original interest in the Company which will amount to 25% of the total issued shares of the Company upon the issue by the Company of the 501,600 shares pursuant to the exchange offer, if it is implemented in full. Under a technical aid agreement, the Associated Company will continue to provide the assistance which has heretofore been made available to B.C. Cement.

Employees—Throughout its history the Company has enjoyed extremely good labour-management relations with its employees numbering about 280, many of whom have been in the employ of the Company well over 25 years. The Company voluntarily instituted a very broad welfare programme for the employees several years ago which has substantially contributed to the very low rate of turnover of employees. This welfare plan includes pension, group insurance, medical service for employees and their families and a weekly indemnity plan for loss of pay due to illness for non-occupational accidents.

Evans Coleman & Gilley Brothers Limited

This subsidiary (which together with its subsidiaries is herein collectively referred to as "Evans") was incorporated under the laws of Canada in February 1928 as a holding company to operate through subsidiaries a general construction supply business throughout Western Canada. At the time of incorporation Evans acquired all the outstanding capital stock of Evans, Coleman & Evans Limited and of Gilley Bros. Limited, two of the oldest trading companies on the Canadian Pacific Coast, having been established in 1886 and 1887 respectively. Additional subsidiaries were acquired at later dates.

Products—Construction supplies which are sold and distributed through Evans to the construction industry include the following:

Sand and gravel, crushed rock and quarried rock, ready-mixed concrete under the trade name "True-Mix", "Elk Brand" Portland cement, high early strength cements, clay face brick and common building brick, vitrified clay sewer pipe, flue lining, firebrick, fireclay and refractory products, drain tile, concrete pipe, concrete and pumice blocks and bricks, precast and prestressed concrete products, cast iron pipe, reinforcing steel and mesh, nails, steel scaffolding, props and rails, lath and plaster, lime putty and brick mortar, insulation, wallboards and roofing materials, and all allied building materials required by concrete, masonry, lath and plastering, insulation and roofing, and general building contractors.

Operations—Evans' business consists of the manufacture and distribution of building materials, its operations being carried on by fifteen subsidiaries, as detailed hereunder:

Subsidiaries—All subsidiaries as described below, are wholly-owned with the exception of Clayburn-Harison Ltd. which is 60% owned by Evans.

EVANS, COLEMAN & EVANS LIMITED, located in Vancouver, British Columbia, is primarily engaged in the supply of building materials to the construction industry in Western Canada, and with its subsidiary, MARPOLE COAL COMPANY LIMITED it is the largest distributor of industrial and domestic coal in British Columbia.

At its branch in North Vancouver, British Columbia, a complete building supply depot is maintained to service the construction industry in the Districts of North and West Vancouver. At this location, True-Mix concrete is produced from a central mixing plant completed in 1957, to take care of the growing demands in this area. With rail and water facilities immediately available at the above locations, construction supplies are shipped to all coastal centres, and via the major railroads, to the interior of British Columbia.

EVANS, COLEMAN TRADING COMPANY LIMITED, operating under a federal sales tax licence, imports and distributes certain building materials to the construction industry.

EVANS, COLEMAN WHARF CO. LIMITED, operates as a wharfinger for deep sea and coastal vessels, in the handling and shipment of goods from all parts of the world for distribution throughout Western Canada. Deep sea wharves and warehouses are maintained at Vancouver, British Columbia.

GILLEY BROS. LIMITED, situated on the Fraser River at New Westminster, British Columbia, merchandises general building supplies throughout the lower Fraser Valley, Surrey and Delta areas. It also operates the Mary Hill sand and gravel pit on the Fraser River and Gilley Bros. rock quarry. A

marine division, consisting of 7 tugs, 28 scows and 2 derricks, distributes the products of the pit and quarry.

MCCLEERY & WESTON LIMITED, located in the Marpole District of Vancouver, British Columbia, distributes general construction supplies, manufactures concrete products and produces True-Mix concrete.

Through its Marpole Brick Division, which is the largest single operating plant of its kind in Western Canada, it manufactures and sells 75% of the concrete blocks and bricks used in British Columbia by the construction industry.

DIETHERS LTD. operates a building supply depot situated on the tidewaters of False Creek, Vancouver, British Columbia. Its principal business is supplying True-Mix concrete, sand and gravel to the construction industry, in the Metropolitan Vancouver area. True-Mix concrete is produced in a modern central mixing plant, and is complemented by a large bulk cement silo holding 20,000 sacks of "Elk Brand" Cement.

EVANS, COLEMAN & JOHNSON BROS. LIMITED, located in Victoria, British Columbia, is the largest supplier of building materials on Vancouver Island, produces True-Mix concrete, and distributes general building supplies.

A division, Producers Sand & Gravel operates a sand and gravel pit at Royal Bay, Vancouver Island where the bulk of the sand and gravel required by industry for the lower half of the Island is produced and shipped for concrete, asphalt and road building purposes.

BAKER BRICK & TILE COMPANY LIMITED, manufactures clay drain tile, building partition tile and clay facebrick. Its plant site is approximately two miles from Victoria, British Columbia and is also a depot for all building supplies handled by Evans, Coleman & Johnson Bros. Limited.

CHAMPION & WHITE LIMITED is mainly a producer of ready mix concrete, a distributor of sand and gravel and general building supplies. Situated on the upper reaches of False Creek, in the heart of Vancouver, British Columbia, this Company can quickly deliver concrete to all industrial projects. Sand and gravel is also supplied in large volume to the road and asphalt plants which operate from this section of Vancouver.

HILLSIDE SAND & GRAVEL LIMITED operates a sand and gravel plant located on West Howe Sound, approximately 18 miles from Vancouver, British Columbia, by water. It has ample reserves of sand and gravel blocked out for the future requirements of the construction industry. This modern screening and crushing plant produces aggregates conforming to rigid building specifications. These materials are shipped by scow to all the central concrete mixing plants in the Metropolitan Vancouver area and to the construction projects on the coast of British Columbia.

MARPOLE TOWING COMPANY LIMITED operates a fleet of 7 tugs and 37 scows, principally for the use of Evans and its subsidiary companies, to transport sand and gravel from the Company's various pits and quarries, to the True-Mix concrete producing plants and storage depots of the Evans' organization.

B.C. CONCRETE LTD. is located in the Marpole District of Vancouver, British Columbia, manufactures all sizes of concrete pipe used for sewerage and drainage projects by Federal, Provincial and Municipal authorities and is the largest plant manufacturing concrete pipe in British Columbia. Large volumes of sand and gravel are required to sustain the production of this plant, the basic materials being obtained from the Evans group of companies.

ALBERTA CLAY PRODUCTS LIMITED, located at Medicine Hat, Alberta, manufactures clay vitrified sewer pipe used extensively in sewerage and drainage projects throughout Western Canada. At this plant pipe is made in all sizes, and is distributed through a network of dealer supply agencies throughout the prairie provinces, east to the head of the Great Lakes. Utilizing natural gas on its plant site, and with large deposits of clay available, this Company is assured of continuous supplies of raw materials for many years.

CLAYBURN-HARBISON LTD. at Vancouver, British Columbia, 60% owned by Evans, manufactures and distributes clay firebrick and refractory products, clay face and common brick, clay flue lining, vitrified clay sewer pipe and lightweight expanded shale. Two plants are operated in British Columbia, at Kilgard and Abbotsford. Kilgard is the only vitrified clay sewer pipe plant in British Columbia and the Abbotsford plant is the main manufacturing depot of clay facebrick, firebrick and refractory products. These two plants serve not only the British Columbia market, but also the markets of the Western provinces and the North West United States.

The minority interest in Clayburn-Harbison Ltd. is owned by Canadian Refractories Limited, a subsidiary of Harbison-Walker Refractories Company, Pittsburgh, Pennsylvania, one of the largest manufacturers of refractory products in the world. Clayburn receives the benefit of the Harbison-

Walker's laboratories and technical knowledge in the development of its own products which help to assure the future of Abbotsford as a key plant of its type in Western Canada.

Marketing and Market Area—Forty-eight percent of the population of British Columbia is situated in Metropolitan Vancouver, lower Fraser Valley and Southern Vancouver Island. Through its subsidiaries located in this area, which broadly covers an area 100 miles in diameter, Evans supplies and sells all types of building materials except lumber, to the construction industry. In addition construction supplies are marketed as far east as the head of the Great Lakes and north into the Peace River and Yukon territories and south into the States of Washington and Oregon.

In this broad field of operations, Evans sells and distributes building supplies direct to the contractor consumer and as jobbers and wholesalers, to building supply dealers throughout Western Canada. Evans is considered to be the largest building supply organization of its type in Western Canada.

Evans supplies the major portion of the ready mixed concrete and sand and gravel used in south-western British Columbia and approximately 75% of all concrete blocks and bricks and allied materials used by the masonry trade. It also supplies a very substantial part of the materials used by the lath and plastering trade, and building materials used by general contractors.

Equipment—To receive, store and ship these building supplies Evans operates a large fleet of mobile carriers composed of 14 tugs, 65 scows, 2 derricks and a fleet of over 300 heavy duty building material carriers, which include transit mix concrete trucks, sand and gravel dump trucks, flat deck trucks and trailers for general building supplies and steel.

Technical Research—Technical research in all aspects of the building supply business is continually carried out by Evans in the manufacture and production of such items as True-Mix concrete, clay vitrified sewer pipe, clay brick and refractory products, concrete blocks and bricks and other concrete products.

In a constant endeavour to give the construction industry a quality product at an economical price, Evans uses research information available from such well-known technical associations as the American Concrete Institute, Structural Clay Products Institute, Clay Pipe Institute, American Concrete Pipe Association, National Concrete Products Association, Portland Cement Association, British Columbia Research Council, National Research Council of Canada and American Ceramics Society.

This information together with the research of highly qualified technicians in Evans' own testing laboratories assures the industry of quality controlled products.

Employees—The Evans' organization employs approximately 1,600 people, many of whom have spent from 25 to 40 years in the various divisions. Personnel benefits available to employees include a pension plan, group insurance and medical coverage. Strikes and labour disputes which have affected many of the construction trades in British Columbia have not occurred in the Evans' organization, primarily due to a sound labour relations policy.

Capitalization

as at September 27, 1957

| | Authorized | Issued |
|---|------------------|-----------------|
| Common Shares, without nominal or par value..... | 1,250,000 shares | 980,024 shares* |
| *23,176 shares are reserved for issuance pursuant to the Exchange Offer referred to herein. | | |

Purpose of Issue

The proceeds from the sale of the outstanding shares offered by this prospectus will not be paid into the treasury of the Company, as such shares have been purchased from certain shareholders of the Company.

Earnings

Particulars of the earnings of British Columbia Cement Company, Limited, for the ten years and six months ended May 31, 1957 and of Evans Coleman & Gilley Brothers Limited for the ten years and two months ended May 31, 1957 are set out herein. On page 13 hereof there is set out a pro-forma statement of consolidated earnings for the nine years and five months ended May 31, 1957 which shows consolidated earnings available for dividends for the year 1956, of \$2,299,330.

Based on such statements the average net consolidated income, after providing for depreciation, interest, and taxes on income was as follows:

| | |
|---------------------------------------|-------------|
| For the five years 1952 to 1956..... | \$1,678,700 |
| For the three years 1954 to 1956..... | \$2,024,834 |

British Columbia Cement Company, Limited

(since May 31, 1957 the name has been changed to Ocean Cement & Supplies Ltd.)

Balance Sheet as at May 31, 1957

| Assets | | |
|--|--------------|---------------------------|
| CURRENT ASSETS: | | |
| Cash on hand and in banks..... | | \$545,049 |
| Marketable securities, at cost— | | |
| \$800,000 Government of Canada 2¼% bonds due December 15, 1957, | | |
| (market value \$793,280)..... | \$784,000 | |
| 5,000 Class "B" shares of Evans Coleman & Gilley Brothers Limited | | |
| (market value \$80,000)..... | 42,500 | |
| | | 826,500 |
| Trade and other accounts receivable..... | | 678,207 |
| Inventories of manufactured products and supplies, valued at the lower of cost or market.... | | 882,979 |
| Unexpired insurance premiums and other prepaid expenses..... | | 52,962 |
| | | <u>\$2,985,697</u> |
| CAPITAL ASSETS: | | |
| Fixed Assets— | | |
| Land, buildings, wharves, plant and equipment, limerock and shale deposits, etc., | | |
| at cost..... | \$10,819,547 | |
| Less: | | |
| Accumulated provisions for depreciation and depletion..... | 7,129,962 | |
| | | <u>\$ 3,689,585</u> |
| Goodwill, less amounts written off..... | 1,788,800 | |
| | | <u>5,478,385</u> |
| | | <u><u>\$8,464,082</u></u> |
| Liabilities | | |
| CURRENT LIABILITIES: | | |
| Accounts payable and accrued liabilities..... | \$ 453,765 | |
| Income and other taxes payable..... | 372,914 | |
| | | <u>\$ 826,679</u> |
| SHAREHOLDERS' EQUITY: | | |
| Share capital— | | |
| Authorized, Issued and Fully Paid: | | |
| 15,995 "A" Preferred shares of \$100 each..... | \$1,599,500 | |
| 15,995 "B" Preferred shares of \$100 each..... | 1,599,500 | |
| 10 Ordinary shares of \$100 each..... | 1,000 | |
| | | <u>\$3,200,000</u> |
| Reserve for replacement of plant and machinery..... | 1,200,000 | |
| Capital surplus..... | 289,791 | |
| Earned surplus..... | 2,947,612 | |
| | | <u>7,637,403</u> |
| | | <u><u>\$8,464,082</u></u> |

Approved on behalf of the Board:

(Signed) GORDON FARRELL, Director

(Signed) JOHN D. MILNE, Director

Auditors' Report

To the Directors,
Ocean Cement & Supplies Ltd.:

We have examined the Balance Sheet of British Columbia Cement Company, Limited, as at May 31, 1957, and have obtained all the information and explanations we have required. Our examination included a general review of the accounting procedures, and such tests of the accounting records and other supporting evidence as we considered necessary in the circumstances.

In our opinion, the above Balance Sheet is properly drawn up so as to exhibit a true and correct view of the state of the affairs of the Company as at May 31, 1957, according to the best of our information, the explanations given to us, and as shown by the books of the Company.

Victoria, B.C.
September 18, 1957.

(Signed) EDWARDS, MORGAN & Co.,
Chartered Accountants.

British Columbia Cement Company, Limited

(since May 31, 1957 the name has been changed to Ocean Cement & Supplies Ltd.)

Summary of Earnings

For ten years and six months ending May 31, 1957

| Fiscal year ending November 30 | Profit from operations before providing for depreciation and taxes on income | Provision for depreciation (Note 1) | Profit from operations after providing for depreciation but before taxes on income | Taxes on income | Net profit |
|--|---|---|---|--------------------|------------|
| 1947..... | \$ 551,649 | \$ 69,654 | \$ 481,995 | \$ 176,397 | \$ 305,598 |
| 1948..... | 734,510 | 96,423 | 638,087 | 222,994 | 415,093 |
| 1949..... | 907,401 | 104,263 | 803,138 | 299,722 | 503,416 |
| 1950..... | 1,011,714 | 149,610 | 862,104 | 323,393 | 538,711 |
| 1951..... | 1,031,896 | 265,332 | 766,564 | 371,611 | 394,953 |
| 1952..... | 978,865 | 464,478 | 514,387 | 269,432 | 244,955 |
| 1953..... | 1,799,392 | 436,730 | 1,362,662 | 659,647 | 703,015 |
| 1954..... | 1,758,281 | 401,576 | 1,356,705 | 648,609 | 708,096 |
| 1955..... | 2,290,312 | 369,628 | 1,920,684 | 868,873 | 1,051,811 |
| 1956..... | 2,498,962 | 463,862 | 2,035,100 | 950,401 | 1,084,699 |
| Six months ending May 31, 1957 (Note 3) | 1,056,981 | 278,078 | 778,903 | 364,511 | 414,392 |

NOTES:

1. The provisions for depreciation shown above have been computed in accordance with the income tax regulations for the years 1947 to May 31, 1957 inclusive, the rates used being the maximum rates allowed for taxation purposes.
2. A charge to earned surplus of \$59,061 in 1947 for past service employees' pension plan is not reflected in the above summary.
3. The business is somewhat seasonal in its nature and normally the operations of the first six months of the year are less profitable than those of the last six months.

Auditors' Report

To the Directors,
Ocean Cement & Supplies Ltd.

We have examined the above Summary of Earnings of British Columbia Cement Company, Limited, for the ten years and six months ending May 31, 1957, and we report that, in our opinion, the Summary, supplemented by the notes thereto, fairly presents the earnings of the company for the periods indicated.

Victoria, B.C.
September 18, 1957

(Signed) EDWARDS, MORGAN & Co.,
Chartered Accountants.

Evans Coleman & Gilley Brothers Limited and Subsidiary Companies

Consolidated Balance Sheet as at May 31, 1957

| CURRENT ASSETS: | | Assets | | |
|---|--|--------------|--------------|---------------------|
| | Deposits on tenders and contracts..... | | \$ 36,197 | |
| | Trade and other accounts receivable, less allowance for doubtful accounts..... | | 4,709,107 | |
| | Inventories of merchandise and supplies, valued at the lower of cost or market..... | | 3,315,128 | |
| | Unexpired insurance premiums and other prepaid expenses..... | | 331,740 | |
| | | | | \$ 8,392,172 |
| FIXED ASSETS: | | | | |
| | Land, buildings, wharves, tugs, scows, plant and equipment, gravel and clay deposits, etc., at cost..... | | \$18,252,898 | |
| | Less— | | | |
| | Accumulated provisions for depreciation and depletion..... | | 11,059,865 | |
| | | | | 7,193,033 |
| | | | | <u>\$15,585,205</u> |
| CURRENT LIABILITIES: | | Liabilities | | |
| | Bank loan and overdraft..... | | \$ 1,161,881 | |
| | Accounts payable and accrued liabilities..... | | 2,558,498 | |
| | Income and other taxes payable..... | | 761,568 | |
| | Instalments of long term debt payable within one year (see below)..... | | 417,625 | |
| | | | | \$ 4,899,572 |
| LONG TERM DEBT OF SUBSIDIARY COMPANIES: | | | | |
| | 4% mortgage on certain fixed assets—final instalment payable in 1962 | | | \$ 33,889 |
| | 3¼% debentures payable in annual instalments of \$150,000 to 1961..... | \$ 600,000 | | |
| | 4½% debentures payable in annual instalments of \$60,000 to 1965..... | 540,000 | | |
| | 5¼% notes payable \$207,625 per annum to 1959..... | 622,875 | | |
| | Less— | \$ 1,762,875 | | |
| | Instalments payable within one year, included in current liabilities..... | 417,625 | | |
| | | | 1,345,250 | |
| | | | | 1,379,139 |
| SHAREHOLDERS' EQUITY: | | | | |
| | Share capital— | | | |
| | Authorized: | | | |
| | 200,000 Class "A" convertible non-callable shares without nominal or par value (entitled to a fixed cumulative dividend of 60c. per share per annum) | | | |
| | 700,000 Class "B" common shares without nominal or par value (including 71,865 reserved for conversion of Class "A" shares) | | | |
| | Issued: | | | |
| | 71,865 Class "A" shares and | | | |
| | 429,730 Class "B" shares..... | | \$ 1,412,320 | |
| | Net excess of book value over cost of shares of certain subsidiary companies at dates of acquisition..... | | 490,941 | |
| | Earned surplus..... | | 7,403,233 | |
| | | | | 9,306,494 |
| | | | | <u>\$15,585,205</u> |

NOTES:

- (1) In June and July 1957 40% of the shares of a manufacturing subsidiary, Clayburn-Harbisn Limited, were sold for a consideration of \$1,108,200 which exceeded by \$155,000 the book value of the shares sold. This transaction is not reflected in the above balance sheet.
- (2) For a summary of the arrangements for settlement of the pension plan costs in respect of employees' past services, reference is made to Note 1 to the accompanying statement of consolidated earnings to May 31, 1957.

Approved on behalf of the Board:

(Signed) GORDON FARRELL, Director

(Signed) J. D. BURTON, Director

To the Directors,
Evans Coleman & Gilley Brothers Limited:

Auditors' Report

We have examined the consolidated balance sheet of Evans Coleman & Gilley Brothers Limited and subsidiary companies as at May 31, 1957, and have obtained all the information and explanations we have required. Our examination included a general review of the accounting procedures and such tests of the companies' accounting records and other supporting evidence as we considered necessary in the circumstances.

In our opinion, the accompanying consolidated balance sheet, supplemented by the notes thereto, is properly drawn up so as to present fairly the state of the combined affairs of Evans Coleman & Gilley Brothers Limited and subsidiary companies as at May 31, 1957, according to the best of our information and the explanations given to us and as shown by the books of the companies.

Vancouver, B.C.
September 20, 1957

(Signed) PRICE WATERHOUSE & Co.
Chartered Accountants.

Evans Coleman & Gilley Brothers Limited

and Subsidiary Companies

Statement of Consolidated Earnings for the Ten Years and Two Months ended May 31, 1957

| Fiscal period | Consolidated earnings and miscellaneous income before deducting depreciation, depletion, interest and taxes on income (Note 1) | Provision for depreciation | Provision for depletion | Interest on long term debt | Taxes on income (Note 2) | Consolidated net earnings (Note 3) |
|-----------------------|--|----------------------------|-------------------------|----------------------------|--------------------------|------------------------------------|
| Year ended | | | | | | |
| March 31, 1948 | \$1,169,987 | \$ 346,803 | \$ 19,166 | \$ 51,031 | \$ 340,911 | \$ 412,076 |
| March 31, 1949 | 1,554,976 | 408,911 | 17,832 | 48,412 | 398,373 | 681,448 |
| Nine months ended | | | | | | |
| December 31, 1949 | 1,337,236 | 453,746 | 15,644 | 34,471 | 337,128 | 496,247 |
| Year ended | | | | | | |
| December 31, 1950 | 1,765,176 | 663,710 | 9,140 | 43,889 | 442,531 | 605,906 |
| December 31, 1951 | 2,035,436 | 792,475 | 16,713 | 43,876 | 621,647 | 560,725 |
| December 31, 1952 | 2,172,139 | 901,395 | 16,657 | 48,086 | 638,161 | 567,840 |
| December 31, 1953 | 2,636,401 | 1,009,185 | 21,607 | 43,211 | 759,208 | 803,190 |
| December 31, 1954 | 2,858,010 | 999,651 | 17,656 | 38,353 | 891,871 | 910,479 |
| December 31, 1955 | 3,362,912 | 1,214,068 | 12,341 | 47,516 | 984,201 | 1,104,786 |
| December 31, 1956 | 3,860,710 | 1,474,346 | 26,765 | 63,929 | 1,081,039 | 1,214,631 |
| Five months ended | | | | | | |
| May 31, 1957 (Note 4) | 1,491,312 | 599,100 | 8,200 | 33,877 | 437,200 | 412,935 |

NOTES:

- In 1955, the parent company, acting on behalf of all the companies in the group, established an employees' pension trust fund with The Canada Trust Company. The cost to the companies in respect of employees' past services (services prior to October 1, 1955) has been actuarially estimated to amount to \$884,150 if paid over a period of ten years, and the consolidated earnings as shown above reflect payments or accruals in respect thereof, as follows:

| | |
|-------------------------------------|----------|
| Year ended December 31, 1955..... | \$85,129 |
| Year ended December 31, 1956..... | 88,415 |
| Five months ended May 31, 1957..... | 36,835 |

- The charges for taxes on income shown above reflect the assessments which have been received for all companies for the periods to December 31, 1955, and for the year 1956 and the five months ended May 31, 1957 the provisions for those periods which are considered adequate.
- The consolidated net earnings, as shown above, do not include the following credits relating to the period:

| | |
|--|------------------|
| Excess of insurance recoveries over net book values of certain major assets of subsidiary companies, destroyed by fire or accident in 1949 and 1955, less portion attributable to minority shareholders..... | \$323,048 |
| Portion of undistributed earnings of two subsidiary companies acquired in 1951 attributable to previous shareholdings of the group in these companies..... | 75,680 |
| | <u>\$398,728</u> |

- Because of seasonal fluctuations affecting the companies' business, the earnings for the first few months of the calendar year are not usually proportionate to the earnings for the whole year.

Auditors' Report

To the Directors,
Evans Coleman & Gilley Brothers Limited:

We have examined the above statement of consolidated earnings of Evans Coleman & Gilley Brothers Limited and subsidiary companies for the ten years and two months ended May 31, 1957 and report that in our opinion this statement, read in conjunction with the notes thereto, presents fairly the consolidated earnings of the companies for the periods indicated.

Vancouver, B.C.
September 20, 1957

(Signed) PRICE WATERHOUSE & Co.
Chartered Accountants.

Ocean Cement & Supplies Ltd.

(formerly British Columbia Cement Company, Limited)

and Subsidiary Companies

(including Evans Coleman & Gilley Brothers Limited and subsidiary companies)

Pro Forma Consolidated Balance Sheet as at May 31, 1957

(After giving effect to the transactions and proposed transactions set out in Note 1 of the accompanying Notes)

| CURRENT ASSETS: | Assets | | |
|---|---------------------|---------------------|---------------------|
| Cash on hand and in banks..... | | \$ 185,715 | |
| Deposits on tenders and contracts..... | | 36,197 | |
| \$800,000 Government of Canada 2¼% bonds due December 15, 1957, at cost (market value \$793,280)..... | | 784,000 | |
| Trade and other accounts receivable, less allowance for doubtful accounts..... | | 5,007,314 | |
| Inventories of merchandise, manufactured products, and supplies, valued at the lower of cost or market..... | | 4,198,107 | |
| Unexpired insurance premiums and other prepaid expenses..... | | 384,702 | |
| | | <u> </u> | \$10,576,035 |
| CAPITAL ASSETS: | | | |
| Fixed assets— | | | |
| Land, buildings, wharves, tugs, scows, plant and equipment, gravel, clay, limerock and shale deposits, etc., at cost..... | | \$29,072,445 | |
| Less— | | | |
| Accumulated provisions for depreciation and depletion..... | | 18,189,827 | |
| | | <u>\$10,882,618</u> | |
| Goodwill, less amounts written off..... | | 1,788,800 | |
| | | <u> </u> | 12,671,418 |
| | | | <u>\$23,247,453</u> |
| CURRENT LIABILITIES: | Liabilities | | |
| Accounts payable and accrued liabilities..... | | \$ 2,632,263 | |
| Income and other taxes payable..... | | 1,134,482 | |
| Instalments of long term debt payable within one year (see below)..... | | 417,625 | |
| | | <u> </u> | \$ 4,184,370 |
| LONG TERM DEBT OF SUBSIDIARY COMPANIES: | | | |
| 4% mortgage on certain fixed assets—final instalment payable in 1962.. | | \$ 33,889 | |
| 3¼% debentures payable in annual instalments of \$150,000 to 1961.... | \$ 600,000 | | |
| 4½% debentures payable in annual instalments of \$60,000 to 1965.... | 540,000 | | |
| 5¼% notes payable \$207,625 per annum to 1959..... | 622,875 | | |
| | <u>\$ 1,762,875</u> | | |
| Less— | | | |
| Instalments payable within one year, included in current liabilities.. | 417,625 | | |
| | <u> </u> | 1,345,250 | |
| | | | 1,379,139 |
| INTEREST OF MINORITY SHAREHOLDERS IN A SUBSIDIARY COMPANY (Note 1(e))..... | | | 953,200 |
| SHAREHOLDERS' EQUITY: | | | |
| Share capital (Note 1)— | | | |
| Authorized: | | | |
| 1,250,000 common shares without nominal or par value | | | |
| Issued: | | | |
| 1,003,200 shares..... | | \$ 4,612,407 | |
| Net excess of book value over cost of shares of certain subsidiary companies at dates of acquisition..... | | 490,941 | |
| Earned surplus (Note 1)..... | | 11,627,396 | |
| | | <u> </u> | 16,730,744 |
| The notes appearing on page 12 form an integral part of the above Pro Forma Consolidated Balance Sheet. | | | <u>\$23,247,453</u> |

Approved on behalf of the Board:

(Signed) GORDON FARRELL, Director

(Signed) JOHN D. MILNE, Director

Ocean Cement & Supplies Ltd.

(formerly British Columbia Cement Company, Limited)

and Subsidiary Companies

(including Evans Coleman & Gilley Brothers Limited and subsidiary companies)

Notes to Pro Forma Consolidated Balance Sheet as at May 31, 1957

- (1) Effect has been given in the pro forma consolidated balance sheet as at May 31, 1957 to the following transactions and proposed transactions:
 - (a) The issue on July 26, 1957 of 5 Class "B" shares of Evans Coleman & Gilley Brothers Limited for a cash consideration of \$87.50.
 - (b) The subdivision and conversion of the 32,000 (in aggregate) shares of \$100 each of "A" Preferred, "B" Preferred, and Ordinary Stocks of British Columbia Cement Company, Limited into 501,600 common shares without nominal or par value.
 - (c) The increase in the authorized capital of British Columbia Cement Company, Limited by the creation of 748,400 additional common shares without nominal or par value.
 - (d) The change of name of British Columbia Cement Company, Limited to Ocean Cement & Supplies Ltd.
 - (e) The sale in June and July 1957 of 40% of the shares of a manufacturing subsidiary of Evans Coleman & Gilley Brothers Limited, Clayburn-Harison Limited, for a consideration of \$1,108,200. The excess (\$155,000) of this consideration over the book value of the shares sold has been added to earned surplus.
 - (f) The sale in August 1957, for a cash consideration of \$87,500, by Ocean Cement & Supplies Ltd., of its holding of 5,000 Class "B" shares of Evans Coleman & Gilley Brothers Limited. The excess (\$45,000) of this consideration over the cost of the shares sold has been added to earned surplus.
 - (g) The amalgamation of Ocean Cement & Supplies Ltd. and Evans Coleman & Gilley Brothers Limited and the allotment and issue of 501,600 common shares (actual as to 478,424 and proposed as to 23,176) of Ocean Cement & Supplies Ltd. in exchange, on a share for share basis, for the 501,600 (in aggregate) issued Class "A" and Class "B" shares of Evans Coleman & Gilley Brothers Limited. The value assigned to the shares so issued and proposed to be issued is the stated book value as at May 31, 1957 of the issued Class "A" and Class "B" shares of Evans Coleman & Gilley Brothers Limited plus the consideration for which the 5 Class "B" shares mentioned in (a) above were issued. The assets and liabilities have been stated on the pro forma consolidated balance sheet at the values appearing on the records of the amalgamating companies and their subsidiaries and the earned surplus is the total of the consolidated earned surpluses of the companies, after application of pro forma adjustments listed in this Note.
 - (h) The proposed transfer of the capital surplus of \$289,791 and of the plant replacement reserve of \$1,200,000 of Ocean Cement & Supplies Ltd. (formerly British Columbia Cement Company, Limited) as at May 31, 1957 to earned surplus.
 - (i) The intended payment on October 1, 1957 of dividends of \$75,240, representing 15c. per share for the quarter ending September 30, 1957 on all the issued shares of Evans Coleman & Gilley Brothers Limited and \$288,000, the equivalent of \$9.00 per share on all the issued shares of British Columbia Cement Company, Limited, in respect of the period of ten months ended September 30, 1957.
 - (j) The charge to earned surplus of an amount of \$50,000 in respect of the estimated expenses of the amalgamation and related transactions.
- (2) The cost of pensions in respect of past services of employees of Evans Coleman & Gilley Brothers Limited has been paid in part, leaving as at May 31, 1957 a balance which, if paid in equal annual instalments over the period from June 1, 1957 to December 31, 1964, has been actuarially estimated to amount to \$673,771. Such cost, in respect of past services of employees of British Columbia Cement Company (1957) Limited, has been fully paid.

Auditors' Report

To the Directors,
Ocean Cement & Supplies Ltd.:

We report that, on the basis of our examination of the consolidated balance sheet of Evans Coleman & Gilley Brothers Limited and subsidiary companies as at May 31, 1957 and the acceptance, for inclusion in the pro forma consolidation, of the balance sheet of British Columbia Cement Company, Limited as at May 31, 1957 reported on by other Chartered Accountants, in our opinion the accompanying pro forma consolidated balance sheet, supplemented by the notes thereto, presents fairly the combined financial position of Ocean Cement & Supplies Ltd. and subsidiary companies, after giving effect as at that date to the transactions and the proposed transactions described in Note 1 attached to the pro forma consolidated balance sheet.

Vancouver, B.C.
September 25, 1957.

(Signed) PRICE WATERHOUSE & CO.
Chartered Accountants.

Ocean Cement & Supplies Ltd.

(formerly British Columbia Cement Company, Limited)

and Subsidiary Companies

(including Evans Coleman & Gilley Brothers Limited and subsidiary companies)

Pro Forma Combined Summary of Consolidated Earnings for periods commencing in 1948 and ending on May 31, 1957

The following summary presents, for the periods indicated, the totals of the consolidated earnings of British Columbia Cement Company, Limited (now Ocean Cement & Supplies Ltd.) and Evans Coleman & Gilley Brothers Limited and subsidiary companies, taken from the respective statements of these companies' earnings on pages 8 and 10, and determined on the following basis:

- (1) For 1948 and 1949 the earnings and deductions from earnings of Evans Coleman & Gilley Brothers Limited and subsidiary companies have been adjusted to a calendar year basis on the mathematical assumption that the companies earned one quarter of their annual income in the three months ended March 31; and the resultant figures for the calendar years 1948 and 1949 have been added to the corresponding figures of British Columbia Cement Company Limited for the years ended November 30, 1948 and 1949.
- (2) For 1950 to 1956 inclusive, the figures of Evans Coleman & Gilley Brothers Limited and subsidiary companies for the respective calendar years have been added to the figures of British Columbia Cement Company Limited for the corresponding years ended November 30, 1950 to 1956 inclusive.
- (3) For the five months ended May 31, 1957, the figures of Evans Coleman & Gilley Brothers Limited and subsidiary companies for that period have been added to five-sixths of the corresponding figures of British Columbia Cement Company, Limited for the six months ended May 31, 1957.

| Period | Consolidated earnings and miscellaneous income before deducting depreciation, interest on long term debt and taxes on income | Provisions for depreciation | Interest on long term debt | Taxes on income | Consolidated net earnings |
|--------------------------------|--|-----------------------------|----------------------------|-----------------|---------------------------|
| 1948..... | \$2,175,074 | \$ 489,807 | \$49,067 | \$ 607,002 | \$1,029,198 |
| 1949..... | 2,613,279 | 660,237 | 46,574 | 736,443 | 1,170,025 |
| 1950..... | 2,767,750 | 813,320 | 43,889 | 765,924 | 1,144,617 |
| 1951..... | 3,050,619 | 1,057,807 | 43,876 | 993,258 | 955,678 |
| 1952..... | 3,134,347 | 1,365,873 | 48,086 | 907,593 | 812,795 |
| 1953..... | 4,414,186 | 1,445,915 | 43,211 | 1,418,855 | 1,506,205 |
| 1954..... | 4,598,635 | 1,401,227 | 38,353 | 1,540,480 | 1,618,575 |
| 1955..... | 5,640,883 | 1,583,696 | 47,516 | 1,853,074 | 2,156,597 |
| 1956..... | 6,332,907 | 1,938,208 | 63,929 | 2,031,440 | 2,299,330 |
| Five months ended May 31, 1957 | 2,363,930 | 830,832 | 33,877 | 740,959 | 758,262 |

Auditors' Report

To the Directors,
Ocean Cement & Supplies Ltd.

We report that, on the basis of our examination of the statement of consolidated earnings, and notes thereto, of Evans Coleman & Gilley Brothers Limited and subsidiary companies for the ten years and two months ended May 31, 1957 and the acceptance, for inclusion in the pro forma consolidation, of the summary of earnings, and notes thereto, of British Columbia Cement Company, Limited for the ten years and six months ended May 31, 1957 reported on by other Chartered Accountants, in our opinion the accompanying pro forma combined summary presents fairly the consolidated earnings of Ocean Cement & Supplies Ltd. and subsidiary companies for periods commencing in 1948 and ending on May 31, 1957, determined as indicated in the preamble to the combined summary.

Vancouver, B.C.
September 25, 1957.

(Signed) PRICE WATERHOUSE & Co.
Chartered Accountants.

STATUTORY INFORMATION

1. Ocean Cement & Supplies Ltd. (herein referred to as the "Company") was incorporated under the Companies Act (Canada) by Letters Patent dated November 27, 1914, under the name of "Associates Securities Company, Limited". Supplementary Letters Patent were issued to the Company: (i) dated February 24, 1919, changing its corporate name to "British Columbia Cement Company, Limited"; (ii) dated January 4, 1936, converting the Company from a public company to a private company; and (iii) dated September 19, 1957, converting the Company from a private company to a public company and changing its corporate name to "Ocean Cement & Supplies Ltd." and confirming a plan of arrangement under the provisions of Section 126 of the Companies Act.

The address of the head office of the Company is 500 Fort Street, Victoria, British Columbia.

2. The names, descriptions and addresses of the Directors and Officers of the Company are as follows:

Directors

| | | |
|---|----------------------------|--|
| GORDON FARRELL..... | Executive..... | 1890 South West Marine Dr., Vancouver, B.C. |
| HAROLD SCANLON FOLEY..... | Executive..... | 1503 Angus Drive, Vancouver, B.C. |
| WILLIAM FITZ-WALTER FOSTER..... | Executive..... | 1607 West 49th Avenue, Vancouver, B.C. |
| RT. HON. CLARENCE DECATUR HOWE, P.C.... | Professional Engineer..... | 7 Crescent Road, Rockcliff Park, Ottawa, Ont. |
| JOHN DRUMMOND MILNE..... | Executive..... | 2 Mulberry Walk, London S.W. 3, England. |
| ROBERT IAN ROSS..... | Executive..... | 1509 Shasta Place, Victoria, B.C. |
| COL. THE HON. CLARENCE WALLACE, C.B.E. | Executive..... | 1250 West 54th Avenue, Vancouver, B.C. |

Officers

| | | |
|---------------------------------|----------------------------|--|
| GORDON FARRELL..... | President..... | 1890 South West Marine Dr., Vancouver, B.C. |
| WILLIAM FITZ-WALTER FOSTER..... | Vice-President..... | 1607 West 49th Avenue, Vancouver, B.C. |
| JOHN DRUMMOND MILNE..... | Vice-President..... | 2 Mulberry Walk, London, S.W. 3, England. |
| JACK DOUGLAS BURTON..... | Secretary and Treasurer... | 6957 Churchill Street, Vancouver, B.C. |

Auditors

Messrs. Price Waterhouse & Co., Chartered Accountants, Marine Building, Vancouver, B.C.

The Registrar and Transfer Agent for the shares of the Company is The Royal Trust Company at its offices in the Cities of Vancouver, Victoria, Toronto and Montreal.

3. The Company is a holding company and the general nature of the business actually transacted by the Company through its subsidiaries is the manufacture and sale of cement, concrete and concrete products and clay products, the merchandising of general building supplies and steel products, the merchandising of coal and the operation of transportation and storage facilities necessary in the conduct of its business.

4. The authorized share capital of the Company consists of 1,250,000 common shares without nominal or par value, of which, at the date hereof, 980,024 were outstanding and are fully paid up. Each fully paid share entitles the holder thereof to one (1) vote at all meetings of shareholders.

5. Under date of August 8, 1957, the Company made an offer to Evans Coleman & Gilley Brothers Limited (hereinafter called "Evans") and to its shareholders to exchange one fully paid and non-assessable common share without nominal or par value in the capital stock of the Company as the same is now constituted for each fully paid and outstanding Class "A" share and each fully paid and outstanding class "B" share, both without nominal or par value, in the capital of Evans subject to the terms and conditions set forth in the said Exchange Offer. The directors of the Company have resolved that a sufficient number of Evans' Class "A" and Class "B" shares have been deposited in acceptance of the said Exchange Offer and that the conditions of the Exchange Offer have been fully complied with or waived and the said Exchange Offer has been consummated and as of September 19, 1957, 478,424 common shares of the Company were issued pursuant thereto. The Exchange Offer is to remain open until close of business on December 16, 1957, and if, at that time, less than 100% of each class of shares of Evans have been deposited in acceptance of the said Exchange Offer, it is the declared intention of the Company to take the necessary steps under Section 128 of the Companies Act (Canada) to acquire the remaining shares. If this is done there will be 1,003,200 common shares of the Company outstanding and fully paid up. No other securities of the Company are covered by options outstanding or proposed to be given by the Company.

6. The securities hereby offered are 150,000 common shares without nominal or par value and the sale price to the public is stated on the face of this prospectus, to which reference is hereby expressly made. The said securities hereby offered do not constitute new financing by the Company and the Company will not receive any of the proceeds to be derived from the sale thereof.

7. There is no substantial indebtedness to be created or assumed which is not shown in the pro-forma consolidated balance sheet as at May 31, 1957 contained in this prospectus.

8. By an agreement dated September 26, 1957 certain shareholders of the Company agree to sell, and A. E. Ames & Co. Limited agree to purchase 50,000 of the Common Shares offered by this prospectus at a price of \$14.75 per share, and by such agreement the said certain shareholders gave A. E. Ames & Co. Limited an option to purchase an additional 100,000 of the said shares or any part thereof, at a price of \$14.75 per share.

9. The aggregate remuneration paid by the Company during its last fiscal year ended November 30, 1956 was (a) to directors as such—\$5,000; (b) to officers as such who individually received a remuneration in excess of \$10,000 per annum—\$47,496. The aggregate remuneration estimated to be payable by the Company during its current financial year ending November 30, 1957 to directors of the Company as such is \$4,700. It is estimated that the aggregate remuneration payable during the calendar year ending November 30, 1957 by subsidiary companies to directors of this Company in their capacity as directors of such subsidiaries is \$4,800.

From and after September 19, 1957 the effective date of the Exchange Offer referred to in paragraph (5) hereof, no salaries have been or will be paid to any officers of the Company as such. Such officers performing services for the Company are all officials of one or more of its subsidiary companies and in that capacity are paid salaries by the subsidiary companies. It is estimated that the aggregate remuneration so payable to officers of the Company who individually may be entitled to receive remuneration in excess of \$10,000 per annum during its current financial year ending November 30, 1957 is \$75,300, including salaries of past officers and salaries since September 19, 1957 of officers of subsidiary companies acquired during the year.

10. No amount has been paid within the two preceding years or is now payable as commission for subscribing or agreeing to subscribe or procuring or agreeing to procure subscriptions for any shares in or debentures or obligations of the Company.

11. The Company has been carrying on business for more than three years and the business which it has acquired pursuant to the Exchange Offer referred to in paragraph (5) hereof has also been carried on for more than three years.

12. No purchase price of any property has been paid within the last two preceding years or is to be paid in whole or in part in securities of the Company. No securities have been issued or agreed to be issued by the Company within the two preceding years as fully or partly paid up otherwise than in cash except pursuant to the Exchange Offer mentioned in paragraph (5) hereof.

13. As set out in paragraph (6) of this statutory information, the Company will not receive any of the proceeds to be derived from the sale of the common shares offered hereby. No services rendered or to be rendered to the Company have been within the last two preceding years or are to be paid for by securities of the Company.

14. No amount has been paid within the two preceding years or is intended to be paid to any promoter.
15. The Company has not entered into any material contracts other than contracts in the ordinary course of business, except the following:
- (a) The Exchange Offer dated August 8, 1957, referred to in paragraph (5) hereof;
 - (b) A conveyance dated July 31, 1957, whereby the Company conveyed all of its assets and business to its subsidiary British Columbia Cement Company (1957) Limited in exchange for all the outstanding shares and other securities of such subsidiary;
 - (c) A Voting Trust Agreement made on September 20, 1957, between The Associated Portland Cement Manufacturers Limited and Associated International Cement Limited, of the first part, those holders and owners of common shares without nominal or par value of the Company listed in Schedule "B" to the said Agreement, of the second part, Messrs. Gordon Farrell, Arthur Poole and Robert Wise Phipps, of the third part, The Royal Trust Company, of the fourth part, and the Company, of the fifth part, providing for the creation of a Voting Trust in respect of 518,776 common shares without par value in the capital of the Company.

Copies of the said contracts may be inspected at the Head Office of the Company during the Company's ordinary business hours, during the period of primary distribution to the public of the common shares offered by this Prospectus.

16. The by-laws of the Company contain the following provisions as to remuneration of the directors: "The directors shall be paid such remuneration, if any, as the board may from time to time determine. Any remuneration so payable to a director who is also an officer or employee of the Company or who is counsel or solicitor to the Company or otherwise serves it in a professional capacity shall, unless the board shall otherwise determine, be in addition to his salary as such officer or employee or to his professional fees as the case may be. In addition the board may by resolution from time to time award special remuneration out of the funds of the Company to any director who performs any special work or service for, or undertakes any special mission on behalf of, the Company outside the work or services ordinarily required of a director of the Company. The directors shall also be paid such sums in respect of their out-of-pocket expenses incurred in attending board, committee or shareholders' meetings or otherwise in respect of the performance by them of their duties as the board may from time to time determine. No confirmation by the shareholders of any such remuneration or payment shall be required."
17. The Company does not at this time propose to acquire any property in which any director of the Company has an interest.
18. No amount of the consideration received from the issue of shares without nominal or par value of the Company has been set aside as distributable surplus.
19. There are no persons who, by reason of beneficial ownership of securities of the Company or any agreement in writing, are in a position or entitled to elect or cause to be elected a majority of the directors of the Company. However, by reason of the Voting Trust Agreement referred to in paragraph (15) to which reference is hereby expressly made, Messrs. Gordon Farrell of 1890 South West Marine Drive, Vancouver, British Columbia, Arthur Poole of Portland House, Tothill Street, London, S.W.1, England, and Robert Wise Phipps of 1205 Government Street, Victoria, British Columbia, will be in a position during the term of such Agreement and so long as they respectively continue as Voting Trustees to cause to be elected a majority of the directors of the Company.
20. The dividends paid by the Company in respect of the five full years preceding the date of this prospectus and of the current year to date were as follows:

| <u>Year ended November 30</u> | <u>Dividends</u> |
|---|------------------|
| 1952..... | \$224,000 |
| 1953..... | 288,000 |
| 1954..... | 288,000 |
| 1955..... | 320,000 |
| 1956..... | 320,000 |
| Ten months ended September 30, 1957 (payable October 1, 1957) | 288,000 |

The dividends paid by Evans Coleman & Gilley Brothers Limited in respect of the five full years preceding the date of this prospectus and of the current year to date were as follows:

| <u>Year ended December 31</u> | <u>Dividends</u> |
|---|------------------|
| 1952 | \$170,062 |
| 1953 | 197,288 |
| 1954 | 213,942 |
| 1955 | 287,059 |
| 1956 | 356,030 |
| Nine months ended September 30, 1957 | 290,175 |
| (of which \$75,240 payable October 1, 1957) | |

The foregoing declarations constitute full, true and plain disclosure of all material facts in respect of the offering of securities referred to above as required by Section 39 of The Securities Act (Ontario), by Section 39 of The Securities Act, 1954 (Saskatchewan), by Section 13 of the Security Frauds Prevention Act (New Brunswick), by Part IX of The Securities Act, 1955 (Alberta), and under the Quebec Securities Act, and there is no further material information applicable other than in the financial statements or reports where required or exigible.

DATED at Vancouver, British Columbia, this 27th day of September, 1957.

Directors

(Signed) GORDON FARRELL

(Signed) HAROLD S. FOLEY, by his attorney, GORDON FARRELL

(Signed) C. D. HOWE, by his attorney, GORDON FARRELL

(Signed) C. WALLACE, by his attorney, GORDON FARRELL

(Signed) JOHN D. MILNE

(Signed) R. IAN ROSS, by his attorney, JOHN D. MILNE

(Signed) Wm. F. FOSTER

Underwriters

To the best of our knowledge, information and belief, the foregoing declarations constitute full, true and plain disclosure of all material facts in respect of the offering of securities referred to above as required by Section 39 of The Securities Act (Ontario), by Section 39 of The Securities Act, 1954 (Saskatchewan), by Section 13 of the Security Frauds Prevention Act (New Brunswick), by Part IX of The Securities Act, 1955 (Alberta), and under the Quebec Securities Act, and there is no further material information applicable other than in the financial statements or reports where required or exigible. In respect of matters which are not within our knowledge we have relied upon the accuracy and adequacy of the foregoing.

A. E. AMES & Co. LIMITED

by: (Signed) C. G. FULLERTON

The following are the names of all persons having an interest directly or indirectly to the extent of not less than five per centum in the capital of A. E. Ames & Co. Limited: H. R. Tudhope, R. L. Warren, F. D. Chapman, H. D. Leeming, J. B. Ridley, Estate of W. G. Malcolm.

